

ACORN CAPITAL NEXTGEN RESOURCES FUND

MONTHLY REPORT
31 MAY 2021



Fund Performance at 31st May 2021

Performance	1 month	3 months	6 months	Since inception (cumulative)
NextGen Resources Fund*	5.75%	4.76%	23.25%	29.23%
S&P ASX Small Resources Accumulation Index	4.15%	10.61%	20.57%	21.41%

* Based on redemption price for the period (post all fees and costs)

Commentary

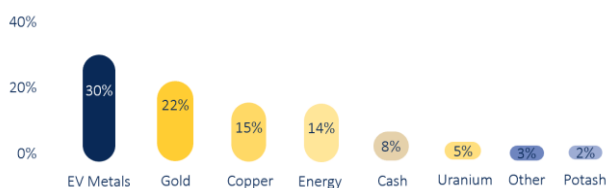
The NextGen Resources Fund performed strongly in May, despite a small pullback in the price of several EV metals.

The two main contributors to positive performance in May were Hillgrove (copper developer; up 30%) and Peel Mining (copper explorer; up 38%), both on the back of positive drilling results. The rising gold price aided Perseus (producer; up 20%) and the threat of disruptions to cobalt and copper supplies in the Democratic Republic of Congo aided Jervois (developer; copper-cobalt).

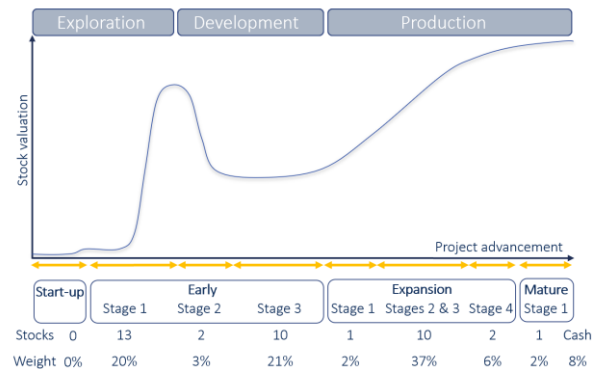
Negative performers included Salt Lake Potash (potash developer; down 17%) who unexpectedly raised capital after breaching debt covenants. The fall in Lake (lithium developer; down 19%) was probably due to option holders selling headstock to fund option payments. And Syrah (graphite producer; down 1%) pulled back a little after recent strong gains whereas Montem (coking coal developer; down 17%) drifted lower on no news and thin liquidity.

The portfolio now holds 39 stocks. In May, we participated in placements for Salt Lake Potash and Coranado Coal. EV metals, copper and uranium represent almost half of funds under management.

Stocks by Sector Exposure



Stocks by Stage of Development



1. Weights and positions as at 31 May 2021. 2. Rounding errors mean totals do not add up to 100%

Top 5 holdings (alphabetic order)

Company	Sector	Development stage
 Aurelia Metals	Gold (& base metals)	Expansion
 Galaxy Resources	EV metals	Expansion
 Hillgrove Resources	Cooper	Early
 Karoon Energy	Energy	Expansion
 Peel Mining	Cooper	Early

Market Review

Gold continued its strong rebound in May, closing just above US\$1900/oz. After recently upweighting the gold sector, this month we took some profits and reduced our exposure to 22%. It is also worth noting that Red5 and St Barbara downgraded guidance last month after reporting that contractor shortages (especially truck drivers) were impacting production. This appears to be a growing issue for WA, so we have down-weighted or exited the stocks we think are most at risk.

Although lithium, graphite and nickel stocks eased a little in May, uranium continued its recent momentum and oil stocks look to be waking from their slumber. And finally, our unlisted rare-earth stock Tawel has been renamed Australian Rare Earths and is scheduled to list on 25 June, so we are looking forward to the end of the financial year.

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